



USDA Foreign Agricultural Service

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Taiwan

Trade Policy Monitoring

New Import Inspection Regulations

2007

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Report Highlights:

Taiwan has notified the WTO of changes to its food import inspection regulations that are of broad interest to U.S. food and grain exporters. U.S. companies and commodity groups are encouraged to conduct their own analysis of the proposed regulations. Comments on the regulations are due on April 20, 2007.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Taipei [TW1]
[TW]

Chinese Taipei recently notified the WTO of new regulations for the inspection of imported food products and made a presentation about the new regulations to local trade offices and importers. These regulations may be of interest to all exporters of food and grain products to Taiwan. Comments on the new regulation should probably be submitted by April 20, 2007. Taiwan is expected to make its decision on the new regulations in June, and implement the new regulations in June or July. After the following unofficial summary of the regulation you will find the WTO notification. The Department of Health's (DOH) English translation of the new regulations can be accessed through the website in block 9 of the notification. Companies and organizations are encouraged to conduct their own analysis of the regulations.

Post Summary of New Import Inspection Regulations

As presented by DOH, the new regulation seeks to tighten importers' tracking of products they have imported so that DOH can enforce product recalls, and to implement a risk based approach to sampling. The changes focused on improving the tracking of products are mainly enforcement related and give DOH the ability to suspend or revoke rights and abilities that are critical for an importer if they provide false information or violate regulations.

The proposal to vary sampling rates based on an assessment of risk has generated more concern. The new system is based on the Japanese and Korean inspection systems and will incorporate an annual risk assessment and three general rates of inspection. The average inspection rate of imports is not expected to change. Most products will be inspected at a rate of between 2-5%, products with some level of elevated risk may be inspected at a rate of 20 – 50%, and high-risk products may be inspected at a rate of 100%. Products in a lower inspection rate category will generally be inspected at a higher rate for a period of time after they fail an inspection. Based on the comments of its officials, DOH plans to implement the regulations in a manner that is least trade restrictive, but the regulations themselves do not address that point and the effect of the regulations could vary significantly depending on how they are implemented. There is a general concern about how Taiwan will manage the risk assessment process and how and when it will apply elevated inspection rates.

One of the objectives in moving to the new sampling system is to discourage bad behavior. For some products from particular origins, Taiwan has apparently faced 20% - 40% failure rates. Under the new system the importer will be responsible for paying the inspection fees if they are under batch-to-batch (100%) inspection or they request re-inspection. They will also need to present any certification of analysis issued by the exporting country before they can begin the inspection process. Depending on the nature of the violation, the company, exporting industry, or country may also be requested to submit an improvement plan to lower their testing frequency – but there is significant uncertainty about how this would be applied. Taiwan has included a provision, also included in the current regulations, for bilateral mutual recognition of government testing. We are concerned by an apparent requirement that items subject to batch-to-batch inspection be tested in the country of origin and in Taiwan unless they have a mutual recognition agreement. The new regulation, unlike the one it replaces, does not mention managing inspection frequency by company and brand, but rather by commodity. This raises concerns that inspection rates and other penalties might be determined by commodity and origin rather than by company.

Attachment 1: WTO Notification

WORLD TRADE ORGANIZATION

G/SPS/N/TPKM/100
23 February 2007

(07-0773)

Committee on Sanitary and Phytosanitary Measures

Original: English

NOTIFICATION

1.	Member to Agreement notifying: <u>THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU</u> If applicable, name of local government involved:
2.	Agency responsible: Department of Health
3.	Products covered (provide tariff item number(s) as specified in national schedules deposited with the WTO; ICS numbers should be provided in addition, where applicable): Food products.
4.	Regions or countries likely to be affected, to the extent relevant or practicable: All countries.
5.	Title, language and number of pages of the notified document: Amendment of Regulations of Inspection of Food Imports (Draft, available in English, 6 pages, http://food.doh.gov.tw/english/Acts_Regulations/Proposed.asp).
6.	Description of content: <ol style="list-style-type: none"> 1. Establish an annual inspection program based on risk management, in order to standardize the inspection of imported products. The program shall be set up in accordance with the Laws Governing Food Sanitation, and shall clearly specify inspection methods, categories, and major inspection items. 2. Improve the inspection method in order to encourage businesses to implement autonomous sanitation management. <ol style="list-style-type: none"> (1) Batch-to-batch inspections are further divided into general batch inspections and enforced batch inspections. Chances that a batch will be selected shall be adjusted to 2% - 5% and 20% - 50%, respectively. (2) Adjust the threshold of the lowered inspection level for imported products. 3. Intensify the responsibilities of businesses in violation of the regulations. <ol style="list-style-type: none"> (1) When applying for inspection of imported products under the category of batch-to-batch inspection, the importer (applicant) shall submit the report of testing and analysis results, and shall pay all inspection fees. (2) In the event that importers (applicants) continue to import products that do not comply with the regulations, the relevant businesses or government organizations of the country of export shall be requested to submit improvement plans. In extreme cases, applications for import inspection may be temporarily suspended until it has been confirmed

	<p>that the problems can be resolved.</p> <p>(3) In the event that products which have been granted Advanced Release while still under inspection are opened and used without approval, the organization executing the inspection shall reserve the right to temporarily reject the application from the importer (applicant) for Advanced Release for six months.</p> <p>(4) Inspection fees for imported products which have failed to pass inspections shall be payable by the importer (applicant) upon applying for re-inspection.</p>
<p>7. Objective and rationale: <input checked="" type="checkbox"/> food safety, <input type="checkbox"/> animal health, <input type="checkbox"/> plant protection, <input type="checkbox"/> protect humans from animal/plant pest or disease, <input type="checkbox"/> protect territory from other damage from pests</p>	<p>8. International standard, guideline or recommendation:</p> <p><input type="checkbox"/> Codex Alimentarius Commission, <input type="checkbox"/> World Organization for Animal Health (OIE), <input type="checkbox"/> International Plant Protection Convention, <input checked="" type="checkbox"/> None</p> <p>If an international standard, guideline or recommendation exists, give the appropriate reference and briefly identify deviations:</p>
<p>9. Relevant documents and language(s) in which these are available: The Act Governing Food Sanitation (full texts may be downloaded from the following website: http://food.doh.gov.tw/english/Acts_Regulations/Foodsafety_1.asp?lawsidx=393).</p>	<p>10. Proposed date of adoption: To be determined.</p>
<p>11. Proposed date of entry into force: To be determined.</p>	<p>12. Final date for comments: 60 days from date of notification.</p> <p>Agency or authority designated to handle comments: <input checked="" type="checkbox"/> National notification authority, <input checked="" type="checkbox"/> National enquiry point, or address, fax number and E-mail address (if available) of other body:</p> <p>Bureau of Food Safety Department of Health 12F, 100 Ai-Kuo E. Rd., Taipei, Taiwan, Postal Code 100 Tel: 886-2-23210151 ext 370 Fax: 886-2-23929723 E-mail: fshung@doh.gov.tw</p>
<p>13. Texts available from: <input checked="" type="checkbox"/> National notification authority, <input checked="" type="checkbox"/> National enquiry point, or address, fax number and E-mail address (if available) of other body:</p> <p>Bureau of Food Safety Department of Health 12F, 100 Ai-Kuo E. Rd., Taipei, Taiwan, Postal Code 100 Tel: (+886) 2 23210151 ext 370</p>	

Fax: (+886) 2 23929723 E-mail: fshung@doh.gov.tw
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Attachment 2: English Translation of Regulation by the Department of Health